

# HAWAII AGRICULTURE 2000

## Diversified Agriculture Overcomes Adversity to Post Record Returns

Farm level revenue for 2000 totaled \$521 million, 2 percent less than 1999, but still the second highest total in the past 9 years. The sixth record high year in a row for the diversified agriculture sector came up shy of offsetting the effects of lower sugar prices and the closure of two sugar operations. Pineapple, the State's leading commodity, held steady with the previous year. Drought-like conditions continued to plague many areas of the State for the third year, seriously impacting orchard crops such as fruits, coffee, and macadamia nuts, as well as cattle grazing. In spite of the weather, and global price declines for some commodities, diversified agriculture posted farm level revenues at a record \$357 million, 4 percent above the 1999 record.

Highlighting gains in the diversified sector were record farm receipts for vegetables and melons, ginger root, flowers and nursery products, aquaculture, seed crop research and sales, and bananas, along with gains posted for tropical specialty fruits, papayas, and cattle. Improved prices helped boost cattle receipts, but the increase was also, in part, a result of increased marketings as ranchers were forced to reduce herd sizes due to drought-related scarce forage supplies. Drought and low prices also adversely affected macadamia nut and coffee production and returns.

The equivalent farm value of pineapple production (does not include the value added by processing) surpassed \$100 million for the second year in a row, just slightly above the previous year. A small increase in production and an increase in the value of processed utilization offset a decline in the value of fresh sales.

The equivalent farm value of sugarcane (does not include the processed value of raw sugar) fell to \$62 million, \$24 million below 1999. Culprits for the decline were lower world (and foreign government subsidized) prices for sugar, and the phasing out of some operations during the year. At years' end there was optimism among the remaining sugar companies that the futures of their operations were viable and acreage and production would stabilize or increase.

Farm level values are an important measure of production agriculture, but they don't truly reflect the total contribution of agriculture to the State and county economies. Adding the values of sugar and pineapple processing raises the total to \$585 million for 2000, but even that is still incomplete. For a better understanding of other value added contributions and the direct and indirect business activity associated with agriculture refer to "Accounting for the linkages of Agriculture in Hawaii's Business Economy with an input-output Model: A Final Demand-Based Approach" By University of Hawaii Agricultural Economists Khem R. Sharma, PingSun Leung, and Stuart Nakamoto.

Cash Receipts of Agricultural Commodities, State of Hawaii, 1970-99

